



North Pole Refinery
Flint Hills Resources Alaska, LLC
1100 H & H Lane North Pole, AK 99705
(907) 488-2741

February 4, 2014

Press Release

Embargoed until 3:00 PM Alaska Standard Time

Contact: Jeff Cook, Regional Director External Affairs
Koch Companies Public Sector – FHR North Pole Refinery
907-488-5104 office. 907-322-2146 Cell

Flint Hills Resources Alaska, LLC (FHRA) announced today that it would cease crude oil processing at its North Pole refinery in the next few months. The extraction unit at the refinery will be shut down on May 1, 2014, ending gasoline production. Crude unit #2 will shut down shortly thereafter, depending on operational requirements, but no later than June 1, 2014. The closure of crude unit #2 will end production of jet fuel and all other refined products. The company will continue to market fuels through its terminals in Anchorage and Fairbanks. The supply for those terminals will come from another source.

Mike Brose, the Vice President of FHRA and the refinery manager stated “this has been a difficult decision made after a long, thorough and deliberative process. Our company has spent an enormous amount of money and resources addressing soil and groundwater contamination that was caused when Williams owned the refinery and the State of Alaska owned the land underneath it. So far, neither Williams nor the State of Alaska have accepted any responsibility for the cleanup. With the already extremely difficult refining market conditions, the added burden of excessive costs and uncertainties over future cleanup responsibilities make continued refining operations impossible.”

Brose went on to comment that “North Pole residents who live in the area affected by the groundwater contamination will continue to be protected from sulfolane exposure. Those residents are protected by alternative water sources provided by FHRA. We will also continue to meet our regulatory commitments to operate our groundwater remediation system to actively remove sulfolane from the aquifer on site.” He also noted that “FHRA will entertain offers for the assets associated with the refinery as an ongoing enterprise or as a terminal/marketing operation.”

In a meeting with employees earlier today, the company said they expect about 35 employees to be retained for operation of the North Pole Terminal. The tank farm associated with the terminal has 720,000 barrels of product storage, which equate to approximately 30 million gallons of product. Product for distribution to local markets can come into the FHRA

North Pole terminal by truck or rail. About 10 employees will also be retained at the Port of Anchorage terminal.

Flint Hills Resources has been growing rapidly in other locations, so employees not retained for Alaska terminals services will be encouraged to apply for positions at other company facilities located throughout the lower 48 states. The company will provide relocation assistance to employees taking positions at other locations.

About Flint Hills Resources

Flint Hills Resources, LLC, through its subsidiaries, is a leading refining, chemicals and biofuels company. It has expanded its operations through capital projects and acquisitions worth more than \$7.6 billion since 2002. With more than 4,000 employees, Flint Hill Resources strives to create value for customers and society. More at www.fhr.com.